

Statement of Congressman Ron Kind
H.R. 4181, Make Permanent Marriage Penalty Relief
April 28, 2004

Mr. Chairman, I rise in support of making permanent the marriage penalty tax relief Congress passed in 2003. I believe that we should eliminate the tax penalty that some married couples incur because, simply, it is the right thing to do.

The marriage penalty stems from provisions in the tax code that impact married couples filing joint tax returns differently than if they filed separate tax returns. In 2001, the marriage penalty hit around 47% of married tax filers from all income brackets.

Without action, tax relief from the marriage penalty would lapse next year as required under the 2003 tax cut package. While the majority of the 2003 tax proposal that passed the House was fiscally irresponsible and designed to benefit only the wealthiest of Americans, its provision providing couples complete relief from the marriage penalty in 2003 and 2004 had bipartisan agreement. The legislation before us today and the substitute offered by Congressman Rangel will permanently extend relief from the marriage penalty.

Every week I am back in Wisconsin talking to my constituents about the challenges they are facing in today's economy. With rising costs for college tuition, health care, and other necessities, we need to act today to ensure that working families are not going to be faced with a marriage penalty tax in 2005.

I also believe, however, that we must work to make sure these tax cuts are paid for so that we do not increase the budget deficit. It is unfair to Americans today, and especially the next generation, to delude ourselves by thinking the record budget deficits facing our nation, estimated by the White House at over \$500 billion this year alone, will simply go away.

As a member of the House Budget Committee, I supported a budget resolution that allows for extending marriage penalty tax relief while still reducing the deficit. This approach requires tough choices, prioritization, and a bipartisan commitment to helping working families. With the House-Senate conference committee still negotiating the budget resolution for fiscal year 2005, I remain hopeful that we will be able to provide married couples continued tax relief today without raising the debt burden on our children's generation.

The substitute offered today by Representative Rangel is a more responsible bill that will permanently repeal the marriage penalty tax for millions of Americans while not increasing the budget deficit. By providing a responsible offset to pay for this tax cut, we can benefit all married tax filers without burdening our children with added debt that they will have to pay off.

In addition, the Rangel substitute will benefit 13 million more Americans by accounting for the Alternative Minimum Tax. The AMT will deny many married couples the tax relief intended under this bill because they fall under a complex set of AMT tax provisions.

Mr. Chairman, extending relief from the marriage penalty now will help millions of working families that otherwise would face a tax increase in 2005. I believe we can and must provide this relief in a fiscally responsible manner that will not burden future generations of Americans. Our work is far from over in helping working families face the challenges of today's economy, and we must come together in a bipartisan manner to craft a fiscally responsible budget resolution.

